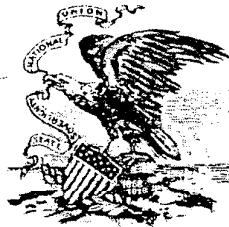


STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



IN THE MATTER OF THE
REVOCATION OF THE
LICENSING AUTHORITY OF:

Michael D. Wood
805 West Highway 50
O'Fallon, Illinois 62269

RECEIVED BY
PRODUCER REGULATORY UNIT

JAN 28 2004

DEPARTMENT OF INSURANCE
SPRINGFIELD

HEARING NO. 4110

ORDER

I, J. Anthony Clark, Director of Insurance for the State of Illinois, hereby certify that I have read the entire Record in this matter and the hereto attached Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer, Morton P. Kamins, appointed and designated pursuant to Section 402 of the Illinois Insurance Code (215 ILCS 5/402) to conduct a Hearing in the above-captioned matter. I have carefully considered and reviewed the entire Record of the Hearing and the Findings of Fact, Conclusions of Law and Recommendations of the Hearing Officer attached hereto and made a part hereof.

I, J. Anthony Clark, Director of Insurance, being duly advised in the premises, do hereby adopt the Findings of Fact and Conclusions of Law and Recommendations of the Hearing Officer as my own, and based upon said Findings, Conclusions and Recommendations enter the following Order under the authority granted to me by Article XXIV of the Illinois Insurance Code (215 ILCS 5/401 et seq.) and Article X of the Illinois Administrative Procedure Act (215 ILCS 100/10-5 et seq.).

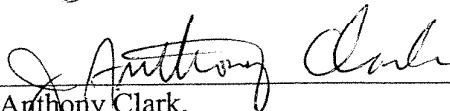
This Order is a Final Administrative Decision pursuant to the Illinois Administrative Procedure Act (5 ILCS 100/1-1 et seq.). Further, this Order is appealable pursuant to the Illinois Administrative Review Law (735 ILCS 5/3-101 et seq.).

NOW IT IS THEREFORE ORDERED THAT:

1) The Illinois Insurance Producer's License of the Respondent, Michael D. Wood is revoked; and

2) The Respondent, Michael D. Wood, pay as costs of this proceeding, within 35 days of the date of this Order, the sum of \$202.50, directly to the Illinois Department of Insurance, Tax and Fiscal Services Section, 320 West Washington Street, Springfield, Illinois 62767.

IN WITNESS WHEREOF, I have hereunto
subscribed my name and affixed the Official
Seal of the Department of Insurance in the City
of Springfield, State of Illinois, this 26th day
of January, A.D., 2004



J. Anthony Clark,
Director

STATE OF ILLINOIS

DEPARTMENT OF INSURANCE



IN THE MATTER OF THE REVOCATION
OF LICENSING AUTHORITY OF:

HEARING NO. 4110

Michael D. Wood
805 West Highway 50
O'Fallon, Illinois 62269

FINDINGS OF FACT, CONCLUSIONS OF LAW AND RECOMMENDATIONS OF THE HEARING OFFICER

Now comes Morton P. Kamins, Hearing Officer in the above-captioned matter and hereby offers his Findings of Fact, Conclusions of Law and Recommendations to the Director of Insurance.

FINDINGS OF FACT

- 1) On September 12, 2003, the Illinois Director of Insurance, J. Anthony Clark, (Director) issued an Order of Revocation revoking the Illinois Producer's License of Michael D. Wood (Respondent). (Hearing Officer Exhibit # 2-a)
- 2) On October 6, 2003, the Illinois Department of Insurance (Department) received a request for hearing on the revocation of his license from the Respondent. (Hearing Officer Exhibit # 2-b)
- 3) On October 27, 2003 the Director, issued a Notice of Hearing pursuant to the Respondent's Request for Hearing setting a hearing date, time and location of December 4, 2003 at 1:00 p.m. at the Department's Offices in Springfield, Illinois. (Hearing Officer, Exhibit # 2)
- 4) Ms. Eve Blackwell-Lewis filed a Notice of Appearance as Counsel for the Department in this matter. (Hearing Officer Exhibit # 2)
- 5) Morton P. Kamins was appointed Hearing Officer in this matter by Order of the Director on October 27, 2003. (Hearing Officer Exhibit # 1)

6) The Hearing in this matter was convened on December 4, 2003 at the Department's Offices in Springfield, Illinois at which time were present Morton P. Kamins, Hearing Officer; Michael D. Wood, Respondent; Ms. Eve Blackwell-Lewis on behalf of the Department; and Linda S. Crowder witness for the Department.

7) The purpose of this proceeding is to determine the eligibility of the Respondent to hold an Illinois Insurance Producer's License and to determine whether the Director's Order of Revocation revoking said license should stand.

8) Linda S. Crowder, investigator for the Department's Producer Regulatory Unit testified on behalf of the Department in this matter as follows: (R. 10-35):

- a) She testified she was assigned the investigative file of the Respondent when the Respondent answered "Yes" to the question on the Insurance Producer Application Reinstatement form that he had been previously convicted of a felony. She further testified that accompanied with the State of Illinois Insurance Producer Application Reinstatement form was a certified copy of an Order of Revocation taken against the Respondent by the State of Kentucky dated September 3, 2002; (Department Exhibit A and Exhibit B)
- b) She testified she further received from the Kentucky Department of Insurance a Stay of the Order Of Revocation dated, September 13, 2002. Accompanied with this Stay Order was the Order regarding Withdrawal of Appeal and Canceling Hearing and the Recommended Order of Dismissal. She further testified the documents showed that the Respondent withdrew his appeal, the stay was lifted and that the Order of Revocation was reinstated with full force and effect, the final order was signed on March 20, 2003; (Department Exhibit # D)
- c) She testified the Insurance Department of the State of Kentucky sent her the documentation of why the Kentucky Insurance Department in 2002 revoked the Respondent's License. An investigation by Kentucky officials led them to support findings that the Respondent was involved in alleged misconduct with an 87 year-old consumer. She further testified that the Respondent had been indicted in Kentucky in 1977 for Kidnapping, First-Degree Assault and Theft for which he was incarcerated for approximately 12 years. Kentucky Department of Insurance records also showed that in 1987 the Respondent was given a fine and probation in a consumer misrepresentation complaint on a Medicare Supplement policy. Records also showed that the Respondent answered "No" to a question on his Kentucky license application of whether or not

he was ever convicted of a criminal offense. (Department Exhibit # E and Exhibit # F)

9) Cross-examination of Linda S. Crowder by the Respondent in this matter as follows (R. 25-36):

- a) She testified that a lot of time has expired since the Respondent had been institutionalized until the present.

10) Respondent, Michael D. Wood, testified in the narrative in this matter as follows (R. 36-43):

- a) He testified that the complaint that came into the Kentucky Department of Insurance regarding the 87 year old consumer was a misunderstanding and that he did not know that the consumer had previously given a power of attorney to her niece to handle her business affairs;
- b) He testified that he did sign, but did not fill out the two Kentucky Insurance application's, the original in 1986 and the TPA application in 1995, answering "No" to the question if he has been previously convicted of a felony. He further testified that his attorney advised him to accept the Kentucky Department of Insurance Revocation Order of 2002 based on his dealing with the 87-year old consumer because he could not defend the inaccuracies in the two previous license applications; and
- c) He testified he wants to get licensed as a resident of Illinois and that he has answered his Illinois License Application correctly.

11) Examination of the Respondent, Michael D. Wood, by the Hearing Officer in this matter as follows (R. 43-50):

- a) He has been living in Illinois less than a year and that Illinois is his principal residence. He further testified he works for Financial Resources of America primarily selling annuities; and
- b) He testified that since he sells annuities he has an adversarial relationship with banks that led to his legal problems with the 87-year-old consumer and that selling a 87 year old a ten-year deferred annuity of \$15,000 was a proper investment strategy.

12) Golembeck Reporting Service recorded the testimony taken in this proceeding and charged the Department \$202.50 for one copy of the proceeding and the costs of the court reporter's attendance.

CONCLUSIONS OF LAW

Based upon the above stated Findings of Fact and the entire record in this matter, the Hearing Officer offers the following conclusions of Law to the Director of Insurance.

1) Morton P. Kamins, was duly appointed as Hearing Officer in this matter pursuant to Section 402 of the Illinois Insurance Code (215 ILCS 5/402).

2) The Director of Insurance has jurisdiction over the subject matter and the parties in this proceeding pursuant to Sections 401, 402, 403 and 505.1 of the Illinois Insurance Code (215 ILCS 5/401, 5/402, 5/403 and 5/505.1).

3) The purpose of this proceeding was to determine the Respondent's eligibility to hold an Illinois Insurance Producer's License and to determine whether the Director's Order of Revocation revoking said license should stand.

4) In its Notice of Hearing and Order of Revocation, the Department alleges that the Respondent violated Section 500-70 of the Illinois Insurance Code (215 ILCS 5/500-70).

Section 5/500-70 provides inter alia:

(a) The Director may place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license or may levy a civil penalty in accordance with this Section or take any combination of actions, for any one or more of the following causes:

(2) violating any insurance laws, or violating any rule, subpoena, or order of the Director or of another state's insurance commissioner;

(6) having been convicted of a felony;

(8) using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this State or elsewhere;

(9) having an insurance producer license, or its equivalent, denied, suspended, or revoked in any other state, province, district or territory;

5) In its Notice of Hearing and Order of Revocation the Department also alleges that the Respondent violated Section 500-95 of the Illinois Insurance Code (215 ILCS 500-95).

Section 5/500-90 provides inter alia:

An individual, who, while licensed as an insurance producer, is convicted of a felony, must report the conviction to the Director within 30 days after the entry date of the judgment. Within that 30-day period, the individual must also provide the Director with a copy of the judgment, the probation or commitment order, and any other relevant documents.

The evidence presented in this matter by the Department shows the Kentucky Department of Insurance revoked the Respondent's license in September of 2002. Evidence was introduced that the Respondent's insurance license was revoked by Kentucky Insurance officials for his insurance dealings with an 87-year-old consumer. Evidence was also introduced that the Respondent was a former felon who was convicted in 1977 for Kidnapping, Second or Third Degree Assault and Theft. Documents were introduced by the Department from information received from the State of Kentucky that on two occasions, April 22, 1986 and January 6, 2000 the Respondent denied on his insurance application having had any previous criminal charges or convictions. The Respondent had answered "No" on two Kentucky applications on whether or not he had ever been convicted of a felony. By these actions the Respondent violated Section 500-70(a)(2)(6)(8) and 9 of the Illinois Insurance Code. (See Department Exhibit # E)

The evidence also shows that the Respondent got a temporary "stay" of his September 2002 Order of Revocation, but later withdrew his request to appeal the September 2002 Order of Revocation and the "stay" was lifted. Evidence was introduced showing that the Order of Revocation was reinstated with full force and effect in March 2003. By this action the Respondent violated Section 500-70 (a)(9) of the Illinois Insurance Code. (See Department Exhibit# D)

The evidence introduced by the Department shows the Respondent served over ten years on his 1977 felony convictions. Also evidence showed that the Respondent in 1987 was placed on probation and given a fine on a consumer complaint on a Medicare Supplement policy by the Insurance Department of the State of Kentucky. By these actions as the Respondent violated Section 500-70(a)(6) and (8) of the Illinois Insurance Code. (See Department Exhibit # E and # F).

The Respondent testified that his felony convictions happened a long time ago and that he has paid his debt to society. He testified that it was his signature on the two Kentucky insurance applications, but that he had a secretary fill out the applications and didn't realize he did not answer the questions of prior convictions correctly. He testified that the complaint to the Department of Insurance of Kentucky regarding the 87 year-old consumer was just a misunderstanding. He testified he never intended to harm this consumer, but was strictly selling her an investment plan that he thought she understood. By this Act the Respondent violated Section 500-70(a)(8) of the Illinois Insurance Code.

In light of the above, the Hearing Officer concludes that the Director of Insurance properly concluded that the Respondent used fraudulent, coercive, or dishonest practices and demonstrated incompetence, untrustworthiness or financial irresponsibility. Also the Hearing Officer concludes that the Director of Insurance properly concluded that the Respondent violated

the insurance laws and rules, or order of the Director or of another State's insurance commissioner and that the Respondent's license was revoked by another state. Finally the Hearing Officer concludes that the Director properly and correctly revoked the Respondent's producer's license pursuant to Section 500-70(a)(2)(6)(8) & (9) of the Illinois Insurance Code.

RECOMMENDATIONS

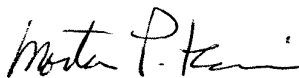
Based upon the above- stated Findings of Fact, Conclusions of Law and the entire Record in this matter, the Hearing Officer offers the following Recommendations to the Director of Insurance.

- 1) That the Respondent's Illinois Insurance Producer's License be revoked; and
- 2) That the Respondent be assessed the costs of his proceeding.

Respectfully submitted,

Date:

1/21/04



Morton P. Kamins
Hearing Officer